Fiscal Note 2017 Biennium

GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING

Bill #	SB0116	**Title:**	Increase elderly homeowner/renter tax credit
Primary Sponsor:	Hoven, Brian	**Status:**	As Introduced

☐ Significant Local Gov Impact ☐ Needs to be included in HB 2 ☐ Technical Concerns

☐ Included in the Executive Budget ☐ Significant Long-Term Impacts ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	FY 2016 Difference	FY 2017 Difference	FY 2018 Difference	FY 2019 Difference
Expenditures:				
General Fund	$0	$0	$0	$0
Revenue:				
General Fund	($1,106,000)	($1,106,000)	($1,106,000)	($1,106,000)
Net Impact-General Fund Balance:	($1,106,000)	($1,106,000)	($1,106,000)	($1,106,000)

Description of fiscal impact: This bill would increase the maximum elderly homeowner/renter credit from $1,000 to $1,500. This would reduce general fund revenue by about $1.1 million per year.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

1. The elderly homeowner/renter credit reimburses taxpayers age 65 or over for property tax they paid that was more than a certain percentage of their income. Individual credits are calculated from a formula based on income and property tax or rent paid. The maximum credit is $1,000. This bill would increase the maximum credit to $1,500, beginning in TY 2015.
2. Credits were recalculated for all TY 2013 credit forms with the maximum credit increased to $1,500. There were 3,703 forms where the credit was limited under current law. With the higher limit, these taxpayers' credits would have been $1.106 million higher.
3. HJR 2 projects that elderly homeowner/renter credits will remain at the TY 2013 level through the forecast horizon. Therefore, credits are projected to be $1.106 million higher each year with this bill.

4. Increased credits would first be claimed in the spring of 2016 for TY 2015. This is in FY 2016.
5. Changes to the credit form and instructions would be made as part of the normal annual update process with no additional costs to the department.

Fiscal Impact:	**FY 2016 Difference**	**FY 2017 Difference**	**FY 2018 Difference**	**FY 2019 Difference**
Department of Revenue				
Expenditures:				
TOTAL Expenditures	$0	$0	$0	$0
Funding of Expenditures:				
General Fund (01)	$0	$0	$0	$0
TOTAL Funding of Exp.	$0	$0	$0	$0
Revenues:				
General Fund (01)	($1,106,000)	($1,106,000)	($1,106,000)	($1,106,000)
TOTAL Revenues	($1,106,000)	($1,106,000)	($1,106,000)	($1,106,000)
Net Impact to Fund Balance (Revenue minus Funding of Expenditures):				
General Fund (01)	($1,106,000)	($1,106,000)	($1,106,000)	($1,106,000)

Sponsor's Initials *Date* *Budget Director's Initials* *Date*